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News Release

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Two Blaine women plead guilty to health care fraud

Two Blaine women pleaded guilty last week in federal court each to one count of health care fraud in a scheme to defraud several health care benefit programs out of hundreds of thousands of dollars.

Chyree L. Hutchinson, 59, and Donna A. Ruch, 58, entered their pleas June 27 before United States District Court Judge Patrick Schiltz in St. Paul. Ruch was charged April 23, and Hutchinson was charged April 9.

According to their respective plea agreements, from March 2003 to March 2007 the two women executed a scheme to defraud several health insurance providers using their Coon Rapids business, Alternative Counseling Clinic, also known as Healthcare Reimbursement Consultants, by submitting false claims to the insurers for payment of counseling services, which resulted in the business receiving fraudulent payments of more than \$200,000.

Both Hutchinson and Ruch admitted in court today that the insurance claims were false because they billed for services not provided to the patient named, misrepresented the services that were provided and billed for services that were not provided by the clinicians whose names were used on the invoices.

Both Hutchinson and Ruch each face a potential maximum penalty of 10 years in prison. Judge Schiltz will determine their sentences at a future date. This case is the result of an investigation by the U.S. Department of Health and Human Services, the Federal Bureau of Investigation, and the Minnesota State Attorney General's Office. It is being prosecuted by Assistant U.S. Attorney Robert M. Lewis.